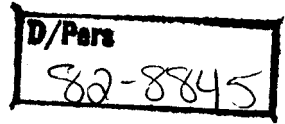


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October 1982

STUDY OF OVERTIME DONATION POLICYA. PURPOSE

Position Management and Compensation Division (PMCD) of the Office of Personnel has noted a recent upward trend in requests for exception to the regulation requiring that the first eight hours of overtime per week worked by FLSA-exempt GS-12 through GS-15 employees be donated by the employee. This has raised the question as to the validity of this policy.

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B. BACKGROUND

1. So far as we can tell from our records, the policy of donating overtime was effected in June 1959 and was applied to employees in grades GS-11 and above. The policy apparently evolved from a managerial perception of abuse of overtime by employees who routinely stayed late and/or worked on weekends and who claimed overtime, and to instill an ethic of professionalism at those grade levels. There is no indication that a concern for cost was a consideration, although there obviously would be some money savings with such a policy.

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2. Periodically since 1959, and as recently as 1980 by the Executive Committee, this policy has been reviewed, reconsidered, and studied. The grade level was moved up to GS-12 in 1972. Throughout the years, OGC has expressed the opinion that the Agency policy is legal but can provide no assurance that the Agency would win a court case.

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C. DISCUSSION

1. In an effort to determine if there is now any need for a change in this policy, we have considered the following information:

- a. Requests for exception to this policy are increasing, according to PMCD's records, as follows:

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- c. Because there is no requirement that donated overtime be recorded on employee time and attendance records, there is no way to determine accurately how many employees are actually donating eight hours per week; nor, equally, the total hours of donated overtime. [REDACTED]

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2. Based on the foregoing information, we find it difficult, if not impossible, to determine whether this 23-year old policy deters abuse of overtime; or whether it saves money; or whether it is a problem to any but a very small number of employees (those for whom exceptions have been granted). [REDACTED]

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3. A historical review, both from the senior management and OGC perspectives, suggests that this policy has become very much institutionalized, and that although managers may want authority on their own to grant exceptions to the policy, there is no general desire to abandon the policy. [REDACTED]

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4. It has been suggested that raising the grade cut-off to GS-13 might alleviate the situation. [REDACTED]

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5. However, in a time of salary constraints (i.e., lower pay increases, higher rates of pay for high-technology employees in the private sector, etc.), paying overtime to a broader base of employees may be viewed as a positive morale factor. It also might signal a level of concern by management to employees caught in an inflationary market. [REDACTED]

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6. This issue was reviewed by the Personnel Management Advisory Board (PMAB) on 18 October 1982 with a view towards determining the need for a policy change. Following an exchange of comments and suggestions, the consensus was that management-directed overtime should be paid regardless of the grade of the employee. There remains a serious concern about the potential for abuse, however, especially if employees interpret a liberalized policy as an open door for payment of hours worked merely for their own convenience or style; and especially if managers and supervisors treat this matter casually, relying on low-graded time and attendance clerks to maintain the integrity of the system. [REDACTED]

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D. RECOMMENDATION

It is recommended that:

- All Agency employees in grades GS-12 through GS-15 be paid overtime;
- Overtime be paid only when management directs that such work is necessary and must be performed; and
- The overtime work is performed outside of the normally scheduled workday.

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